



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

PIEDMONT REGIONAL OFFICE

4949-A Cox Road, Glen Allen, Virginia 23060

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L. Preston Bryant, Jr.
Secretary of Natural Resources

David K. Paylor
Director

Gerard Seeley, Jr.
Regional Director

AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO GEORGIA-PACIFIC WOOD PRODUCTS LLC Registration Number 50253

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code § 10.1-1309 and § 10.1-1316, between the Air Pollution Control Board and Georgia-Pacific Wood Products LLC, for the purpose of resolving certain alleged violations of environmental law and/or regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Air Pollution Control Law" means the Va. Code § 10.1-1300 *et seq.*
3. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.
4. "Boiler" means the Keeler coal-fired boiler No. 3.
5. "Director" means the Director of the Department of Environmental Quality.
6. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.

7. "Facility" means the GP soft board sheathing manufacturing facility located at 116 South Allen Road in Jarrett, Virginia.
8. "GP" means Georgia-Pacific Wood Products LLC, a corporation certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.
9. "MACT DDDDD" means the National Emissions Standards for Hazardous Air Pollutants: Industrial, Commercial, Institutional Boilers and Process Heaters from Title 40 of the Code of Federal Regulations Part 63.
10. "Order" means this document, also known as a Consent Order.
11. "Permit" means the Title V Operating Permit ("TV") permit (Registration Number 50253) issued to Georgia-Pacific Wood Products LLC, dated September 7, 2004.
12. "PRO" means the Piedmont Regional Office of DEQ, located in Glen Allen, Virginia.
13. "Regulations" means the Commonwealth of Virginia State Air Control Board Regulations for the Control and Abatement of Air Pollution.

SECTION C: Findings of Fact and Conclusions of Law

1. Georgia-Pacific Wood Products LLC operates a soft board sheathing manufacturing facility located at 116 South Allen Road in Jarrett, Virginia.
2. The Facility is a major stationary source and was issued a Permit to operate the Boiler. The Permit incorporates a Hydrogen Chloride ("HCL") emission limit of 5.38 lb/hr for the Boiler.
3. Virginia Code § 10.1-1322 of the State Air Pollution Control Law and 9 VAC 5-80-260(A)(1) of the Virginia Regulations require the Facility to abide by the conditions of the issued Permit.
4. On July 31, 2007, Advance Industrial Resources conducted testing for GP to assess the Facility's ability to comply with the proposed emission limits set forth in the federal MACT DDDDD regulation.
5. On August 27, 2007, GP received notification from Advance Industrial Resources that the Facility exceeded the Permit's HCL emission limit during the July 31, 2007, testing; the HCL emission rate was 6.5 lbs/Hr. This information was received just as the Facility was shutting down for a scheduled outage.
6. GP conducted an investigation and identified the cause of the HCL exceedance to be the chloride content in the coal used in the Boiler. To rectify this situation, the Facility

arranged to obtain low chloride-content coal from its suppliers. The Facility also required that its coal suppliers certify each coal shipment for the fuel content, which includes the chloride-content.

7. On September 7, 2007, GP started operations again at the Facility.
8. On September 10, 2007, DEQ received a letter from GP detailing the above events.
9. On September 18, 2007, GP conducted testing to verify compliance with the HCL emission limit.
10. On September 25, 2007, DEQ staff met with GP representatives to discuss the exceedance of the HCL emission limit. During the meeting, GP provided copies of the July 31, 2007, testing reports.
11. DEQ staff performed a review of the HCL testing reports provided by GP, and found the following violation:
 - a. HCL emissions from the Boiler exceeded the Permit's emissions limitations, as set by 9 VAC 5-50-280 and 9 VAC 5-80-260(A).
12. On November 16, 2007, DEQ staff performed a review of the September 18, 2007 HCL test reports provided by GP and found GP to be in compliance with the HCL emission limit.
13. On December 14, 2007, DEQ issued Notice of Violation ("NOV") Number 07-12-PRO-401 regarding the above-described violation.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority granted it pursuant to VA Code §§ 10.1-1309 and 10.1-1316 and upon consideration of Va. Code § 10.1-1186.2, the Board orders GP, and GP agrees, to perform the actions described below and in Appendix A and Appendix B of this Order. In addition, the Board orders GP, and GP voluntarily agrees, to a civil charge of \$7300 in settlement of the violations cited in this Order, to be paid as follows:

1. GP shall pay \$1825 of the civil charge within 30 days of the effective date of this Order. Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

The payment shall include GP's Federal ID number (56-2306374) and shall identify that payment is being made as a result of this Order.

2. GP shall satisfy \$5475 of the civil charge by satisfactorily completing the Supplemental Environmental Project (SEP) described in Appendix B of this Order.
3. The net project cost of the SEP to GP shall not be less than the amount set forth in Paragraph D.2. If it is, GP shall pay the remaining amount in accordance with Paragraph D. 1 of this Order, unless otherwise agreed to by the Department. "Net project costs" means the net present after-tax cost of the SEP, including tax savings, grants, and first-year cost reductions and other efficiencies realized by virtue of project implementation. If the proposed SEP is for a project for which the party will receive an identifiable tax savings (*e.g.*, tax credits for pollution control or recycling equipment), grants, or first-year operation cost reductions or other efficiencies, the net project cost shall be reduced by those amounts. The costs of those portions of SEP's that are funded by state or federal low-interest loans, contracts, or grants shall be deducted.
4. By signing this Order GP certifies that it has not commenced performance of the SEP.
5. GP acknowledges that it is solely responsible for completing the SEP project. Any transfer of funds, tasks, or otherwise by GP to a third party, shall not relieve GP of its responsibility to complete the SEP as described in this Order.
6. In the event it publicizes the SEP or the SEP results, GP shall state in a prominent manner that the project is part of a settlement of an enforcement action.
7. The Department has the sole discretion to:
 - a. Authorize any alternate, equivalent SEP proposed by the Facility; and
 - b. Determine whether the SEP, or alternate SEP, has been completed in a satisfactory manner.
8. Should the Department determine that GP has not completed the SEP, or alternate SEP, in a satisfactory manner, the Department shall so notify GP in writing. Within 30 days of being notified, GP shall pay the amount specified in Paragraph D.2., above, as provided in Paragraph D.1., above.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of GP, for good cause shown by GP, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves the violations specifically identified herein, including those matters addressed in the Notice of Violation issued to GP

by DEQ on December 14, 2007. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of GP as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.

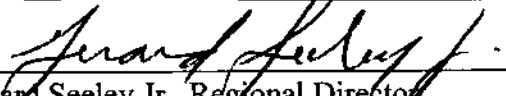
3. For purposes of this Order and subsequent actions with respect to this Order, GP admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.
4. GP consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. GP declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 2.2-4000 *et seq.*, and the State Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by GP to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. GP shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. GP shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. GP shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;

- c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
- d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

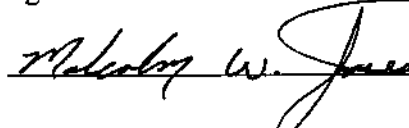
Failure to so notify the Regional Director within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

- 9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
- 10. This Order shall become effective upon execution by both the Director or his designee and GP. Notwithstanding the foregoing, GP agrees to be bound by any compliance date, which precedes the effective date of this Order.
- 11. This Order shall continue in effect until the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to GP. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve GP from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.
- 12. By its signature below, Georgia-Pacific Wood Products LLC voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of June 30, 2008.


Gerard Seeley Jr., Regional Director
Department of Environmental Quality

Georgia-Pacific Wood Products LLC voluntarily agrees to the issuance of this Order.

By: 
Date: 06/20/2008



Commonwealth of Virginia

City/County of Stafford

The foregoing document was signed and acknowledged before me this 20 day of
June, 2008, by Malcolm W. Jones, who is
(name)

Plant Manager of Georgia-Pacific Wood Products LLC, on behalf of the
(title)

Corporation.

Deputy D. Pagnan
Notary Public

My commission expires: AUGUST 31, 2011.

APPENDIX A

1. During the period beginning with the effective date of this Order and lasting until the Permit modification is issued, GP shall abide by the following recordkeeping requirements (in addition to those in the current permits):
 - a. GP shall obtain a certification from the fuel supplier with each shipment of coal. Each fuel supplier certification shall include the following:
 - i. The name of the coal supplier;
 - ii. The location of the coal where the sample was collected for analysis to determine the properties of the coal, specifically including whether the coal was sampled as delivered to the facility or whether the sample was collected from coal storage at the mine, at a coal preparation plant, at a coal supplier's facility, or at another location. The certification shall include the name of the coal mine (and coal seam), coal storage facility, or coal preparation plant where the sample was collected;
 - iii. The results of the analysis of the coal from which the shipment came (or of the shipment itself) including the chloride content; and
 - iv. The methods used to determine the properties of the coal.
 - b. GP shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with the HCL Permit emission limit. These records shall include, but are not limited to, all fuel supplier certifications for each shipment of coal including the chloride content per shipment of coal.
 - c. GP shall submit documentation of HCL emissions in lbs/hr, lbs/mmBtu, and tons/yr to DEQ on a monthly basis.
2. Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

Jennifer Hoeffner
Department of Environmental Quality
Piedmont Regional Office
4949-A Cox Road
Glen Allen, Virginia 23060

APPENDIX B

GP shall perform the SEP identified below in the manner specified in this Appendix.

1. The SEP to be performed by GP is the purchase of HAZMAT materials for the Jarratt Volunteer Fire Department, located in Jarratt, VA.
2. The SEP shall be completed within 60 days of effective date of the Order.
3. GP shall submit a written final report on the SEP, verifying that the SEP has been completed in accordance with the terms of this Order, and certified either by a Certified Public Accountant or by a responsible corporate officer or owner. GP shall submit the final report and certification to the Department within 90 days from the effective date of the Order.
4. If the SEP has not or cannot be completed as described in the Order, GP shall notify DEQ in writing no later than 15 days of becoming aware of the fact that the SEP cannot be completed as described in the Order. Such notification shall include:
 - a. An alternate SEP proposal, or
 - b. Payment of the amount specified in Paragraph D.2 as described in Paragraph D.1.
5. GP hereby consents to reasonable access by DEQ or its staff to property or documents under the party's control, for verifying progress or completion of the SEP.
6. GP shall submit to the Department written verification of the final overall and net project cost of the SEP in the form of a certified statement itemizing costs, invoices and proof of payment within 30 days of the project completion date. For the purposes of this submittal, net project costs can be either the actual, final net project costs or the projected net project costs if such projected net project costs statement is accompanied by a CPA certification or certification from GP's Chief Financial Officer concerning the projected tax savings, grants or first-year operation cost reductions or other efficiencies.
7. Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

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